

SEATTLE HOUSING AUTHORITY



The Seattle Housing Authority is a public body corporate and politic established by the State of Washington in 1939, is governed by a seven-member Board of Commissioners, two of whom must be SHA residents. Commissioners are appointed by the Mayor and ratified by the Council of the City of Seattle. The Board of Commissioners is responsible for approving the annual budget for SHA and for setting policy. The Executive Director is appointed by and reports to the Board.

The *Seattle Housing Authority (SHA)*, the largest low-income housing provider in the state, owns approximately 5,700 units of federally-funded public housing, administers a total of 7,500 additional units through the federal Section 8 Program, and owns about 1,000 units of locally-funded housing under the Seattle Senior Housing Bond Issue Program, and over 800 units of other housing. Over 23,000 people benefit from these programs.

SHA is an independent public owner and developer of subsidized housing with a variety of relationships to the City of Seattle.

- ▶ The Office of Housing, Human Services Department and SHA work closely together to coordinate housing development and community and supportive services programs.
- ▶ SHA is an active participant in the City of Seattle interdepartmental team that develops the Consolidated Plan.
- ▶ Hiring and procurement decisions are made by SHA; no City oversight is required.
- ▶ SHA employees participate in a joint benefits program with the City.
- ▶ The City provides public services to SHA-owned properties, except where SHA elects to provide services independently (e.g., refuse collection and recycling).
- ▶ The City of Seattle may play a variety of roles in SHA demolition or redevelopment projects. Each project is unique. In past and current projects, the City has issued land use and building permits, provided funding to SHA, and partnered with SHA in community and supportive services provision, funding of non-profit-owned replacement housing, and development of community facilities. SHA and City-owned utilities are working closely together to design

and implement energy and resource conservation measures in SHA housing. SHA and the Office of Housing are working closely together to bring SHA housing resources to housing developed under the Housing Levy.

- ▶ The City has no oversight of SHA decisions to dispose of properties, except for properties funded with City bond proceeds.

The U.S. Department of Housing and Urban Development (HUD) has recognized SHA as one of the highest performing housing authorities in the country. As a result, SHA has been selected to participate in the Moving-to-New Ways (MTW) Demonstration Program, which gives SHA the freedom to explore effective new ways of delivering services tailored to Seattle's needs.

SHA produces an annual plan to meet HUD's requirements for housing authorities with an MTW designation; activities included in the annual plan for fiscal year 2004 are described below. This plan includes a capital plan. SHA's fiscal year runs from October 1 through September 30.

Change dynamics identified by the Seattle Housing Authority

Changing Federal funding priorities. Support for the operation and maintenance of low-income housing, particularly public housing, is not among the federal government's highest priorities. In recent years, federal funding for public housing operations and capital expenditures has, at best, been holding steady. All indications are that in the future, housing authorities across the nation can expect declining federal support, particularly for public housing. One example of this is the termination of funding for the Public Housing Drug Elimination Program. Loss of these resources severely limits SHA's ability to fund highly successful programs including community policing and crime prevention organizers, eviction prevention services, youth tutoring, arts and cultural programs, anti-drug and anti-crime education and the like.

The needs of populations with incomes below 50% median income are changing. This dynamic is a constant in the provision of housing and services for low-income people. Current dynamics include, for example, an increase in homelessness and an aging and increasingly frail population. Recent immigrants are becoming a larger proportion of households in low-income housing, resulting in demands for English-as-a-Second-Language programs, and culturally sensitive programs and services addressing education and employment, parent-child relationships and domestic violence and other issues. Welfare-to-work has increased the demand for childcare and after-school programs for children.

Seattle Housing Authority Strategies

These strategies are designed to support SHA in fulfilling its mission to *enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and self-sufficiency for people with low-incomes*. These strategies will be carried out in conjunction with the City's housing strategies.

Community Revitalization Strategies: HOPE VI

SHA's federal HOPE VI grants are bringing over \$135 million in cash and the potential of around 1,200 new Housing Choice vouchers to Seattle to revitalize four public housing communities: Holly Park, Roxbury House and Village, High Point, and Rainier Vista.

- ▶ The transformation of Holly Park to the new, mixed-income community of NewHolly is well underway. NewHolly has won numerous awards and recognition for community building, design, and sustainable building practices and growth management. The first phase of rental housing is complete and occupied. The Neighborhood Campus, consisting of a branch of the Seattle Public Library, South Seattle Community College, a teen center, extensive child care facilities and other community and supportive services facilities, opened in November 1999. A 318-unit elder village, built in partnership with the Providence Health Systems and Retirement Housing Foundation, opened in the second phase of NewHolly in early 2002. New rental housing in the third and final phase will be under construction in 2004. The first phase of 148 for-sale homes is sold out, and the first 51 home ownership units in Phase II have been built. SHA intends to sell the remaining lots in Phase II to builders to complete the for-sale housing program of 150 units. In the third phase of NewHolly redevelopment, SHA is working with the International Community Health Services to move their clinic into a mixed use building that will also contain rental management offices for NewHolly and space for businesses being displaced by light rail construction. FY 2004 activities include:
 - Completion of sales of for-sale units in the second phase;
 - Construction of 219 rental units for households with a mix of incomes in the third and final phase of the project, Othello Place. Rental housing should begin coming on line during FY 2004 with completion during FY 2005;
 - Marketing land to builders to develop for sale homes;
 - Construction of the centerpiece of Othello Place, the two-plus acre park, which will have a children's area with a water play feature, a large open green area and a market garden and P-patch. Stormwater runoff from the hillside above the park will be treated in bioswales. The park will be built around several monumental poplar trees;
 - Construction of a mixed-use condominium with NewHolly management offices, low-income rental units, commercial space that could accommodate businesses displaced by light rail, and the International District Health Clinic; and
 - Planning for the redevelopment of newly-acquired properties along Martin Luther King Jr. Way South near Othello Street, and directly to the south of Othello Place.

- ▶ Roxbury House and Village revitalization will be complete, including off-site replacement housing by September 2003. On the site of the former Roxbury Village, the Lutheran Alliance to Create Housing (LATCH) has developed 45 units of mutual housing in Longfellow and Westwood Courts. Fifteen of the units are affordable to families earning less than 30% of the area median income, with the remainder affordable to households earning between 30%-50% of median income. Roxbury House has been renamed Westwood Heights and designated for near low-income elderly/near elderly residents. Rehabilitation of Westwood Heights is complete.

- ▶ The redevelopment of Rainier Vista is underway. The current program calls for just over 1,000 units of mixed-income and mixed-tenure housing, a small amount of commercial space for neighborhood-scale retail, new community facilities and open space, in place of 481 units of World War II-era housing. During fiscal year 2004:
 - SHA will begin construction of 140 public housing units and 44 workforce rental units on the west side of Rainier Vista.
 - SHA will work to acquire adjacent properties around the intersection of S. Alaska St. and Martin Luther King Jr. Way S.
 - Providence Health Systems will complete construction of 78 units of low-income housing for seniors, funded by a Section 202 grant.

- Housing Resources Group and AIDS Housing of Washington will begin construction of 50 units of rental housing, including 22 units of housing for people with disabilities funded through Section 811 and 28 units of workforce housing.
- West side revitalization plans call for 83 affordable for-sale units and 124 market rate for-sale units.
- ▶ In 2000, SHA was awarded a fourth HOPE VI grant for High Point. The \$35 million grant will enable SHA to revitalize the last of its severely distressed World War II-era housing stock. In 2004, High Point will see:
 - Installation of the natural drainage system and underground utilities. The natural drainage system at High Point, including a stormwater detention pond, will be the largest in the nation. This cutting-edge system will cleanse stormwater entering Longfellow Creek, which is home to Seattle's most significant Coho salmon run. With this system, the quality of stormwater leaving High Point should be about the same as it was under natural conditions, i.e., before Seattle's urbanization began 130 years ago;
 - Start of construction of 344 rental units (201 public housing units and 143 low-income housing tax credit units);
 - Abatement and demolition of 368 units, of which 30-60 will be "deconstructed," or the dismantling of a building in the reverse order of its assembly, so that components that still have economic value can be reused or sold;
 - Acquisition of adjacent properties around the intersection of 35th Avenue SW and SW Lanham Way to facilitate development of the "gateway" to the new High Point—a mixed-use, commercial-residential development that will help reweave High Point into the fabric of West Seattle.
 - Providence Health Systems will build 75 Section 202-funded senior housing units.

Homeownership is an important component of SHA's HOPE VI efforts. At Holly Park, 100 homes are being offered for sale to households whose incomes are below 80% of area median income, including public housing residents. The program includes a variety of financial assistance, and a Homebuyer Education and Counseling Program. Forty percent of the home ownership units at Rainier Vista will be affordable to households with incomes at or below 80 percent of area median income, targeting former public housing residents who have achieved stable employment through Jobs Plus' comprehensive, coordinated community and supportive services. The preliminary High Point redevelopment program calls for 80 affordable homeownership units.

SHA has made a commitment to the citizens of Seattle for full one-for-one replacement of all very low-income rental units as a result of these HOPE VI grants. Through Holly Park's replacement housing program, SHA has successfully tackled one of the most controversial issues plaguing HOPE VI around the country. SHA has undertaken an array of activities to ensure full one-for-one replacement of the 421 public housing units that will not be replaced at NewHolly. These activities include partnering with non-profits to build 221 low-income rental units. The Roxbury Replacement program will be complete by September 2003. The Rainier Vista replacement commitment is for 71 units of off-site housing. The High Point replacement housing program calls for 250 off-site units.

The Holly Park replacement housing partnership program represents a new spirit of cooperation among Seattle's low-income housing providers. SHA is not building this housing itself but is using innovative arrangements with seven non-profit housing developers, to date, to subsidize

and maintain low-income housing in their developments. SHA is subsidizing the housing so it will be affordable to those with incomes at or below 30% of the median for the area. Through these partnerships, SHA is accomplishing a variety of goals: a) further deconcentration of low-income housing throughout Seattle; b) creation of mixed-income communities in housing that complements neighborhoods; and c) adjustment of the low-income housing stock to meet current needs, e.g., for families or people with special needs.

SHA's off-site replacement housing activities for 2004 include:

- ▶ *Acquisition:* SHA plans to acquire approximately 95 units during FY 2004 to help fulfill replacement housing obligations for Rainier Vista and High Point and to replace several units at Yesler Terrace demolished for the new Parks Department community center. Acquisition gives SHA a cost-effective way to plan ahead to meet long-term housing needs by adjusting the unit mix, and to contribute to deconcentrating poverty by buying properties in non-poverty areas or mixing incomes in newly-acquired buildings. SHA will consider these goals in addition to price and financial feasibility. On-going operating subsidy to ensure the affordability of replacement housing units may come from project-basing Housing Choice Vouchers or public housing operating subsidy; specific financing and subsidy strategies will be determined case-by-case for each property.
- ▶ *Redevelopment of the Wallingford maintenance base:* During FY 2003, SHA vacated its existing north-end maintenance base, which is located on an excellent site for a mixed-use commercial-residential building in Wallingford. SHA has procured a development partner, Housing Resources Group, to redevelop the property in accordance with the Wallingford neighborhood plan. An anticipated 35 replacement housing units will be provided through this project; these units will become available during FY 2005.
- ▶ *Other Partnership Housing:* During FY 2004, SHA hopes to enter into partnerships with housing providers to produce 36 units of low-income housing for NewHolly replacement housing. SHA will contribute capital and/or ongoing subsidy to enable these units to serve households at 30 percent of median income or below.

Other Community Revitalization Strategies

In addition to the myriad demolition and disposition actions associated with SHA's HOPE VI revitalizations, SHA plans to continue the gradual adjustment of its 782-unit scattered site portfolio by disposing of a number of units in 2004. SHA intends to evaluate the portfolio and identify those properties appropriate for disposition. Actual disposition of these units will take place upon turnover so that no existing tenants will be required to relocate. Units considered for disposition will have a combination of factors that make them less desirable for SHA in their current configuration, including high maintenance or capital costs, poor location for tenants or property managers, potential to redevelop at higher densities under existing zoning, or other factors.

By the end of 2003, SHA will sell a scattered site unit at 2407 24th Ave. East to the Seattle Public Library so that the new Montlake Library may be developed on that site. A replacement townhouse has been purchased in anticipation of the proceeds of this sale.

SHA is also working with the City of Seattle Department of Parks and Recreation to build a new community center at Yesler Terrace, requiring disposition of a portion of Yesler Terrace.

Twenty-one units will be demolished to accommodate the community center. The facility is being designed and constructed in 2003-2004 with opening anticipated for mid-2004. Six units have been replaced off-site; the remaining 15 units will be replaced off-site as soon as a suitable property can be found.

In 2001, SHA designated Tri-Court, an 86-unit public housing development for seniors and people with disabilities, as a smoke-free community. Investigation into deferred maintenance needs at this community suggested that a comprehensive rehabilitation that addresses drinking water quality and other environmental quality issues would make the community more attractive to its non-smoking target market. The community is being refurbished to address these deferred maintenance needs, with leasing to non-smoking households in 2004.

Moving to New Ways Priorities for FY 2004

SHA's MTW Agreement with HUD contains a specific list of activities for which SHA may exercise its MTW flexibility. In FY 2004, SHA will pursue the following MTW activities:

- ▶ **Fostering Improvements to the Housing Choice Voucher Program (Section 8)**
 - In consultation with stakeholders, develop and implement a new minimum rent policy for the Housing Choice Voucher program based on an imputed income methodology.
 - Continue to streamline admissions procedures for Housing Choice Vouchers. If streamlining efforts suggest that policy changes are needed, develop alternatives, consult with stakeholders, and implement necessary changes.
 - Design and implement a risk-based inspection protocol for the Housing Choice Voucher Program, including simplifying the Housing Quality Standards.
 - Implement a pilot Section 8 homeownership program as required by FY 2003 grant funds. Add another Family Self-Sufficiency (FSS) Homeownership staff member, contingent on receiving requested HUD grant funds, to help FSS clients prepare for purchasing a home.
 - Analyze whether the current number of FSS slots (approximately 500) should be increased, using MTW flexibility.
- ▶ **Fostering Public Housing Improvements**
 - Continue to streamline admissions procedures for public housing and Housing Choice Vouchers. If streamlining efforts suggest that policy changes are needed, develop alternatives, consult with stakeholders, and implement necessary changes.
 - Continue evaluation of the MTW rent policy for public housing, focusing on the financial impacts of the rent policy and comparing the effectiveness of employment incentives in SHA's various programs.
 - Implement a new resource conservation (energy audit) protocol to provide direction concerning resource conservation for maintenance, capital and revitalization activities and regular business practices.
 - Designate Ballard House as an additional elderly/near elderly public housing high rise to provide a choice of neighborhoods. (Currently SHA has one designated high rise - Westwood Heights - in the southwest corner of the city.)

- Monitor industry progress in developing alternatives to HUD's performance measurement system; if warranted, adopt and implement new performance measurement systems.
- Use the findings from a survey of public housing high-rise and scattered sites residents regarding their needs and interests for social services to better target services to residents.
- ▶ **Organizational Improvements**
 - Continue to strengthen SHA's ability to manage affordable housing that has a wide variety of financing and compliance requirements through development of Impact Property Management.
 - Monitor portfolio performance and identify management improvements through formal quarterly reviews by the asset management team and Senior Property Managers.
 - Develop and implement additional on-line information sharing capabilities to improve, for example, resource consumption and real estate performance monitoring.
 - Continue implementation of Protégé@ work, a document-imaging project to improve productivity and streamline administration, with a pilot project for Section 8 Mod Rehab and additional PorchLight business functions.
 - Replace labor- and paper-intensive recording and processing of employee time sheets with an electronic system, called Kronos, to reduce costs and improve efficiency and accuracy of work time reporting.
 - Evaluate SHA's overhead cost allocation method for centralized services, such as finance or legal, research other models and develop a system that allocates costs to different housing programs to more closely match the benefit to each program.
 - Address long-term financial sustainability of community and supportive services.
- ▶ **Meeting Seattle's housing needs**
 - Involve stakeholders in redefining the purpose of public housing scattered sites. This process could lead to program-specific admissions, occupancy and rent policies. Originally, scattered sites operated as an "incentive transfer" program for households who had shown themselves to be good tenants in other SHA housing. Over time, scattered sites have been used to meet a wide variety of other needs. As a result, the program has become more costly to operate and rent revenues have declined.
 - Establish local preferences or suitability criteria for new residents of revitalized Othello Place (NewHolly Phase III), Rainier Vista and High Point.
 - Implement a new rent policy for Seattle Senior Housing Program to ensure its financial sustainability and continued affordability for extremely low-income seniors.
 - Continue to improve policies and procedures for reducing the risk of fraud. Aggressively pursue fraud cases.